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PATRICK, NEAL DELIVER \$15.1 MILLION IN STIMULUS FUNDS, LOANS FOR STURBRIDGE WASTEWATER TREATMENT FACILITY UPGRADES

\$185 million released for water infrastructure improvements across the state; Projects will create thousands of jobs

STURBRIDGE - Tuesday, January 26, 2010 - As part of the Patrick-Murray Administration's Massachusetts Recovery Plan, Governor Deval Patrick today joined Congressman Richard Neal to announce that \$15.1 million in American Recovery and Reinvestment Act (ARRA) grants and State Revolving Fund (SRF) financing will be used to upgrade the wastewater treatment facility in Sturbridge.

Governor Patrick and Congressman Neal noted that \$185 million in federal recovery funds for water infrastructure improvements will support statewide construction projects worth nearly \$800 million, maintaining and creating thousands of jobs across Massachusetts. The ARRA funds will reduce the cost of each project, with the balance financed by low-interest loans from the SRF.

"The federal Recovery Act is all about creating economic activity and putting people to work," said Governor Patrick. "With these funds, we are maximizing economic activity by doubling the amount of water infrastructure investment taking place this year, reducing project costs for municipalities, and using renewable energy to reduce operating costs at these energy intensive facilities. I thank Congressman Neal and the rest of the Congressional delegation for delivering for Massachusetts."

"Today's announcement will provide communities in western and central Massachusetts with millions of dollars in federal stimulus money for vital water infrastructure projects. This significant investment will create jobs, help improve the local economy and make our drinking water cleaner. It is another reminder of how the stimulus is making a difference in Massachusetts. I congratulate Governor Patrick on his leadership of this high priority program," said Congressman Richard E. Neal.

"I am delighted to join with Governor Patrick and Congressman Neal in announcing this SRF award," said Senator Stephen M. Brewer. "This system will not only allow the town to meet the EPA waste processing requirement, but it will also create 15 engineering jobs and 50 construction jobs over the estimated 2 years it will take to complete the facility. I commend the town officials for aggressively pursuing this funding."

The contracts funded through SRF and ARRA include wastewater projects such as sewage treatment facilities and combined sewer overflow improvements. Drinking water projects include water treatment plants, storage tanks, and new water main and piping systems. The SRF provides 2 percent low-interest loans for communities to finance these expensive capital investments in their water infrastructure. This year, ARRA funding will lower costs to cities and towns by providing principle forgiveness, which will reduce the amount financed by 11 percent for wastewater projects and 20 percent for drinking water projects.

Under federal rules, the Commonwealth could have applied the ARRA funds to reduce the costs of only 71 projects then-approved for SRF loans, representing just over \$400 million of construction contracts and with several of them already under construction. In order to maximize economic activity, however, the Patrick-Murray Administration opened up eligibility for additional projects that could qualify for SRF support by the ARRA deadline of February 17, 2010. With the enticement of ARRA funding, the number of waterworks projects grew to 120 statewide, with contracts totaling nearly \$800 million. Based on industry estimates, that level of spending will preserve or create up to 4,000 construction jobs.

The Sturbridge wastewater treatment plant project entails construction of upgrades to help the plant meet new federal permit requirements and improve water quality in the Quinebaug River.

Clean water projects like this one are expected to receive 11 percent of the project cost in principle forgiveness. Sturbridge will need to borrow only \$15.1 million to finance the \$17 million project, and that amount will be borrowed at the low rate of 2 percent.

"These challenging economic times could have forced municipalities to delay or give up on much-needed drinking water and wastewater projects. Instead, thanks to Recovery Act funding, even more projects will go forward, creating jobs, protecting public health, and bringing clean energy to our waterworks," said Energy and Environmental Affairs Secretary Ian Bowles.

ARRA also required, for the first time, that at least 20 percent of new SRF funds be used for "green infrastructure" improvements at water facilities. This requirement was modeled on a previous Massachusetts Energy Management Pilot Project, which identified energy efficiency upgrades and renewable energy installations that could reduce operating costs and emissions of greenhouse gases from municipal wastewater and drinking water treatment facilities. These facilities are highly energy intensive and account for up to 30 percent of municipal electric bills. Some \$67 million of ARRA money will be used for the state's largest procurement of solar power installation, which is in the process of being awarded, as well as other renewable energy and energy efficiency upgrades at waterworks across the Commonwealth.

"By including green infrastructure improvements in these treatment plant projects, Massachusetts continues to lead the way in achieving environmental advances," said Department of Environmental Protection Commissioner Laurie Burt. "Installation of solar, wind, and other advanced technologies will cut energy use at these facilities, reduce operational costs, and shrink the carbon footprint of each community."

Combining state and federal funds, the Commonwealth awards low-interest loans through the SRF, which is administered by the Massachusetts Water Pollution Abatement Trust, a joint effort of the Massachusetts Department of Environmental Protection, the Executive Office of Administration and Finance, and the State Treasurer's Office. The SRF comprises two programs: the Clean Water Fund, which has awarded nearly \$3.9 billion in loans since 1991; and the Drinking Water Fund, which has awarded more than \$975 million to projects since 1999.

For more information on water infrastructure projects funded by the SRF and ARRA, please visit www.mass.gov/recovery. For more information on specific SRF ARRA projects, please visit www.mass.gov/dep.

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